

DEAR MR. SECRETARY: I am writing you to submit my resignation from the Foreign Service of the United States and from my position as Political Counselor in U.S. Embassy Athens, effective March 7. I do so with a heavy heart. The baggage of my upbringing included a felt obligation to give something back to my country. Service as a U.S. diplomat was a dream job. I was paid to understand foreign languages and cultures, to seek out diplomats, politicians, scholars and journalists, and to persuade them that U.S. interests and theirs fundamentally coincided. My faith in my country and it values was the most powerful weapon in my diplomatic arsenal.

It is inevitable that during twenty years with the State Department I would become more sophisticated and cynical about the narrow and selfish bureaucratic motives that sometimes shaped our policies. Human nature is what it is, and I was rewarded and promoted for understanding human nature. But until this Administration it had been possible to believe that by upholding the policies of my president I was also upholding the interests of the American people and the world. I believe it no longer.

The policies we are now asked to advance are incompatible not only with American values but also with American interests. Our fervent pursuit of war with Iraq is driving us to squander the international legitimacy that has been America's most potent weapon of both offense and defense since the days of Woodrow Wilson. We have begun to dismantle the largest and most effective web of international relationships the world has ever known. Our current course will bring instability and danger, not security.

The sacrifice of global interests to domestic politics and to bureaucratic self-interest is nothing new, and it is certainly not a uniquely American problem. Still, we have not seen such systematic distortion of intelligence, such systematic manipulation of American opinion, since the war in Vietnam. The September 11 tragedy left us stronger than before, rallying around us a vast international coalition to cooperate for the first time in a systematic way against the threat of terrorism. But rather than take credit for those successes and build on them, this Administration has chosen to make terrorism a domestic political tool, enlisting a scattered and largely defeated Al Qaeda as its bureaucratic ally. We spread disproportionate terror and confusion in the public mind, arbitrarily linking the unrelated problems of terrorism and Iraq. The result, and perhaps the motive, is to justify a vast misallocation of shrinking public wealth to the military and to weaken the safeguards that protect American citizens from the heavy hand of government. September 11 did not do as much damage to the fabric of American society as we seem determined to do to ourselves. Is the Russia of the late Romanovs really our model, a selfish, superstitious empire thrashing toward self-destruction in the name of a doomed status quo?

We should ask ourselves why we have failed to persuade more of the world that a war with Iraq is necessary. We have over the past two years done too much to assert to our world partners that narrow and mercenary U.S. interests override the cherished values of our partners. Even where our aims were not in question, our consistency is at issue. The model of Afghanistan is little comfort to allies wondering on what basis we plan to rebuild the Middle East, and in whose image and interests. Have we indeed become blind, as Russia is blind in Chechnya, as Israel is blind in the Occupied Territories, to our own advice, that overwhelming military power is not the answer to terrorism? After the shambles of post-war Iraq joins the

shambles in Grozny and Ramallah, it will be a brave foreigner who forms ranks with Micronesia to follow where we lead.

We have a coalition still, a good one. The loyalty of many of our friends is impressive, a tribute to American moral capital built up over a century. But our closest allies are persuaded less that war is justified than that it would be perilous to allow the U.S. to drift into complete solipsism. Loyalty should be reciprocal. Why does our President condone the swaggering and contemptuous approach to our friends and allies this Administration is fostering, including among its most senior officials. Has "oderint dum metuant" really become our motto?

I urge you to listen to America's friends around the world. Even here in Greece, purported hotbed of European anti-Americanism, we have more and closer friends than the American newspaper reader can possibly imagine. Even when they complain about American arrogance, Greeks know that the world is a difficult and dangerous place, and they want a strong international system, with the U.S. and EU in close partnership. When our friends are afraid of us rather than for us, it is time to worry. And now they are afraid. Who will tell them convincingly that the United States is as it was, a beacon of liberty, security, and justice for the planet?

Mr. Secretary, I have enormous respect for your character and ability. You have preserved more international credibility for us than our policy deserves, and salvaged something positive from the excesses of an ideological and self-serving Administration. But your loyalty to the President goes too far. We are straining beyond its limits an international system we built with such toil and treasure, a web of laws, treaties, organizations, and shared values that sets limits on our foes far more effectively than it ever constrained America's ability to defend its interests.

I am resigning because I have tried and failed to reconcile my conscience with my ability to represent the current U.S. Administration. I have confidence that our democratic process is ultimately self-correcting, and hope that in a small way I can contribute from outside to shaping policies that better serve the security and prosperity of the American people and the world we share.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred December 2, 2000 in Carlsbad, CA. Four minors beat a 34 year-old man because they believed he was gay. The assailants confronted the victim as he was walking home from a bar. The group yelled "Hey, faggot, what are you looking at?" then attacked the victim.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing

current law, we can change hearts and minds as well.

#### U.S.-PAKISTAN CONNECTION

Mr. BROWNBACK. Mr. President, last week, with the help of Pakistani authorities, Khalid Shaikh Mohammed was captured and taken into custody. This represents the highest ranking al Qaeda official to be apprehended in the war on terrorism and, according to some experts, Mohammed is the most important terrorism related arrest in history.

I come to the floor today to publicly express my gratitude to the government of Pakistan and to President Musharraf in particular.

The arrest, along with the intelligence information gathered at the scene, brings us one giant step closer to dismantling the al Qaeda terror network.

You don't have to dig too deeply into the recent press stories to see the significance of this event.

From the Washington Post:

U.S. authorities said they expect a trove of leads from the search of Mohammed's living quarters . . .

From the New York Times:

Al Qaeda Hobbled by Latest Arrest . . .

From Time magazine:

Pakistani authorities nab Khalid Shaikh Mohammed, the al-Qaeda bigwig who helped mastermind the Sept. 11 attacks.

It is important to note the context in which this significant accomplishment was achieved. Pakistan today is dealing with internal terrorist elements that want to turn that country into a radicalized, terrorist state. There are whole areas of the country in the mountainous boarder with Afghanistan—which are outside the control of the government. And while the campaign against the Taliban was a crucial first step in the war on terrorism, it has also shifted many of the radicals who were operating there into this part of Pakistan.

Against this backdrop, it would be easy for President Musharraf to yield to the threats and intimidation of these elements within his society. We have seen all too well what happens when leaders neglect their responsibility to educate and lead their people rather than cave to popular mob mentality. Even in Europe, we have seen elements of this in the performance of Schroeder and Chirac.

But despite some public pressure, President Musharraf has taken a bold and strong stance against a fundamentalist future for his country. He understands that it is in Pakistan's best interest to rid the country of the terrorist cells that are acting as parasites on the Pakistani people. He understands that the best way to bring investment, jobs, health care and security for his people is to join the realm of the responsible world.

It is easy to underestimate the amount of courage this type of leadership takes. Sitting in our comfortable

democracy in the U.S., it seems the obvious choice.

But I call on my colleagues to take a moment to remember the immense problems that Pakistan is dealing with: because of tensions in the region, and the war in Afghanistan, Pakistan's economy has suffered a huge loss. And despite my best efforts with some fellow colleagues, the U.S. has yet to provide the one thing Pakistan really needs: a better deal on textiles.

Textiles and textile products are Pakistan's main export. As a result of the war effort, invaluable orders for textile products made and exported by Pakistan have been canceled due to perceived instability in the region and a lack of confidence that such orders will ultimately be delivered.

According to the Pakistan Textile and Apparel Group, Pakistan has witnessed a 64 percent reduction in orders for clothes that would be made from last year alone, by the 14 largest apparel factories in Lahore, Karachi, and Faisalabad. As a result, employment in these factories has dropped 32 percent from a year ago. The Pakistani government has estimated the overall decline in orders at 40 percent. This has very real consequences for the future of Pakistan, its stability, and its ability to forge a future of economic prosperity for its people.

As a weakened market for Pakistani textile exports ultimately renders human development programs within Pakistan less effective, especially the primary education element, young Pakistani's are faced with the prospect of no education and therefore no quality employment. An all-to-frequent alternative to this prospect is for young Pakistani's to attend Madrasas—Islamic religious schools run by mullahs—where too often basic skills and primary education are supplanted by religious teachings used to indoctrinate young Pakistani's into following the perverted version of Islam followed by Osama Bin Laden, Al Queda, and the Taliban.

Mr. President, I urge all of my colleagues to work with me in the Congress to provide the President with authority to assist Pakistan in the textile market immediately. Such action is vitally important to the stability of our important ally, and victory in our Nation's war against terrorism. Failing to take quick action only strengthens our enemy.

The war on terrorism will only be won through the continued cooperation of important countries like Pakistan. The very least we can do in this body today is to recognize this support and to say thank you for it.

#### ENERGY OVERSIGHT

Mr. LEAHY. Mr. President, I am pleased to join Senator DIANNE FEINSTEIN in sponsoring the Energy Oversight Bill. This bill clarifies the scope of the existing regulatory authority of the Commodity Futures Trading Com-

mission, CFTC, over markets in over-the-counter, OTC, derivatives, including its anti-fraud and anti-manipulation jurisdiction over exempt commodities such as metals and energy.

Over-the-counter derivatives markets have assumed an increasingly large role in the U.S. economy. A recent conservative estimate put the size of the global OTC derivatives market at \$111 trillion. The U.S. share of that market is estimated to be at least two-thirds. Derivatives based on "exempt commodities," such as energy and metals, make up a small percentage—probably no more than 2 percent—of the total OTC derivatives market. However, derivatives play an increasingly important role in energy and metals markets, which are in turn critical to our overall economy.

The energy markets are among the largest and most dynamic in the United States. Hundreds of billions of dollars in energy products—which include electricity, natural gas, crude oil, and gasoline—are traded each year in the United States—both on-exchange and in the over-the-counter markets.

We are all well aware of the tragedies that occurred last fall surrounding the collapse of Enron. For instance, there have been numerous stories in the press regarding allegations of manipulations in energy markets. I understand the CFTC currently is in the process of pursuing a comprehensive, detailed investigation of allegations raised by the Enron collapse.

However, some have suggested that following passage of Commodity Futures Modernization Act, CFMA, in 2000 the CFTC does not in fact have authority to effectively and successfully investigate and punish fraud and manipulation in derivatives markets for exempt commodities—particularly energy and metals. In a hearing held by the Senate Agriculture Committee last July, questions were raised about the CFTC's ability to prevent fraud and manipulation in the first place.

If that is the case, not only do these transactions fall outside the jurisdictional reach of the CFTC, but in most cases, they are beyond the reach of any other federal financial regulator. Thus, we have a gap in the oversight of exempt commodity transactions. And plainly, this gap was not something Congress intended when it passed the CFMA.

This legislation puts these questions to rest.

Our bill clarifies that the CFTC's anti-fraud and anti-manipulation authority applies to all exempt commodity transactions and requires derivatives marketplaces like electronic swap exchanges—like the now-defunct "Enron Online"—to adhere to certain, minimal regulatory obligations: among them are transparency, disclosure, and reporting.

It recognizes the benefits of market innovation by preserving the long-sought legal certainty for swaps—they

remain for the most part "exempt" from CFTC jurisdiction. At the same time, however, the bill ensures that all derivatives transactions are subject to the commission's fraud and manipulation authorities. It would not require the registration of swap counterparties, but would require that they maintain books and records of transactions—something that should be routine practice in the industry. Finally, the legislation recognizes that all exchange markets serve price discovery and hedging purposes by imposing modest transparency, disclosure, and reporting obligations.

Experience has shown that measures designed to increase market transparency instill confidence in markets, attract investment, and increase market integrity by providing regulators with the means to monitor for fraud and manipulation. Application of these principles to derivatives markets generally is sound public policy, prudent business practice, and common sense. The consequent benefits extend not only to market users, but also to consumers.

Accountability is important and must be restored because Enron is not alone. It is only a case study exposing the shortcomings in our current laws. Future debacles wait to be discovered not only by investigators or the media, but by the more than one in two Americans who depend on the transparency and integrity of our public markets.

The majority of Americans depend on capital markets to invest in the future needs of their families—from their children's college fund to their retirement nest eggs. American investors deserve action. Congress must act now to restore confidence in the integrity of the public markets.

Accountability and transparency help our markets work as they should, in ways that benefit investors, employees, consumers and our national economy. Our job is to make sure that there are adequate doses of accountability in our regulatory and legal system to prevent such occurrences in the future. The time has come for Congress to rethink and reform our laws in order to prevent corporate deceit, to protect investors and to restore full confidence in the capital markets.

Unfortunately, in the wake of Enron, we are presently witnessing some of the best arguments in favor of such changes. U.S. energy markets are suffering a crisis in confidence. This modest legislation is a good first step toward restoring this lost confidence and returning energy markets to a path of growth and efficiency.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO OPERATION EAGLE'S NEST

• Mr. BUNNING. Mr. President, I rise today to honor and pay tribute to Operation Eagle's Nest. The Military Affairs Committees of Hopkinsville and